

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02859A

Diversified Water Utilities, Inc.

4700 East Thomas Road, Suite 203

Phoenix, Arizona 85018

RECEIVED

APR 11 2011
ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2010
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FOR COMMISSION USE

ANN 04	10
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3-31-11

COMPANY INFORMATION

Company Name (Business Name) Diversified Water Utilities, Inc.

Mailing Address 4700 E Thomas Road, Suite 203

(Street)

Phoenix

(City)

Arizona

(State)

85018

(Zip)

(602) 840-9400

Telephone No. (Include Area Code)

(602) 840-6030

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address sgray@dwuwater.com

Local Office Mailing Address 4700 E Thomas Road, Suite 203

(Street)

Phoenix

(City)

Arizona

(State)

85018

(Zip)

(602) 840-9400

Telephone No. (Include Area Code)

(602) 840-6030

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address sgray@dwuwater.com

MANAGEMENT INFORMATION

☐ **Regulatory Contact:**

☒ **Management Contact:**

Scott Gray

(Name)

President

(Title)

4700 E Thomas Road, Suite 203

(Street)

Phoenix

(City)

Arizona

(State)

85018

(Zip)

(602) 840-9400

Telephone No. (Include Area Code)

(602) 840-6030

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address sgray@dwuwater.com

On Site Manager:

David Dickinson

(Name)

Operations Manager

(Title)

4700 E Thomas Road, Suite 203

(Street)

Phoenix

(City)

Arizona

(State)

85018

(Zip)

(602) 840-9400

Telephone No. (Include Area Code)

(602) 840-6030

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address ddickinson@dwuwater.com

Statutory Agent: Scott W. Gray

(Name)

4700 E Thomas Road, Ste 203

Phoenix

Arizona

85018

(Street)

(City)

(State)

(Zip)

(602) 840-9400

(602) 840-6030

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: William P Sullivan, Curtis Goodwin Sullivan Udall & Schwab, PLC

(Name)

501 E Thomas Road

Phoenix

Arizona

85012

(Street)

(City)

(State)

(Zip)

(602) 393-1700

(602) 393-1703

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐

Sole Proprietor (S)

☐

C Corporation (C) (Other than Association/Co-op)

☐

Partnership (P)

☒

Subchapter S Corporation (Z)

☐

Bankruptcy (B)

☐

Association / Co-op (A)

☐

Receivership (R)

☐

Limited Liability Company

☐

Other (Describe)

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐

APACHE

☐

COCHISE

☐

COCONINO

☐

GILA

☐

GRAHAM

☐

GREENLEE

☐

LA PAZ

☐

MARICOPA

☐

MOHAVE

☐

NAVAJO

☐

PIMA

☒

PINAL

☐

SANTA CRUZ

☐

YAVAPAI

☐

YUMA

☐

STATEWIDE

COMPANY NAME

DIVERSIFIED WATER UTILITIES, INC.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			-
302	Franchises			-
303	Land and Land Rights	83,092	-	83,092
304	Structures and Improvements	205,945	26,950	178,995
307	Wells and Springs	393,155	106,926	286,229
311	Pumping Equipment	1,952,766	258,949	1,693,817
320	Water treatment Equipment	-	-	-
330	Distribution Reservoirs and Standpipes	569,023	125,476	443,547
331	Transmission and Distribution Mains	2,708,449	482,238	2,226,211
333	Services	162,822	33,229	129,593
334	Meters and Meter Installations	407,637	64,404	343,233
335	Hydrants	239,754	25,101	214,653
336	Backflow Prevention Devices	-		-
339	Other Plant and Misc. Equipment	-		-
340	Office Furniture and Equipment	56,137	7,081	49,056
341	Transportation Equipment	-		-
343	Tools, Shop and Garage Equipment	8,687	798	7,889
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	-	-	-
346	Communication Equipment	-	-	-
347	Miscellaneous Equipment	-	-	-
348	Other Tangible Plant	99,298	19,555	79,743
	TOTALS	6,886,765	1,150,707	5,736,058

This amount goes on the Balance Sheet Acct. No. 108


COMPANY NAME

DIVERSIFIED WATER UTILITIES, INC.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	-		-
302	Franchises	-		-
303	Land and Land Rights	83,092		-
304	Structures and Improvements	205,945	3.56%	7,332
307	Wells and Springs	393,155	3.56%	13,996
311	Pumping Equipment	1,952,766	3.56%	69,518
320	Water treatment Equipment	-	3.56%	-
330	Distribution Reservoirs and Standpipes	569,023	3.56%	20,257
331	Transmission and Distribution Mains	2,708,449	3.56%	96,421
333	Services	162,822	3.56%	5,796
334	Meters and Meter Installations	407,637	3.56%	14,512
335	Hydrants	239,754	3.56%	8,535
336	Backflow Prevention Devices	-		-
339	Other Plant and Misc. Equipment	-		-
340	Office Furniture and Equipment	56,137	3.56%	1,998
341	Transportation Equipment	-		-
343	Tools, Shop and Garage Equipment	8,687	3.56%	309
344	Laboratory Equipment	-		-
345	Power Operated Equipment	-		-
346	Communication Equipment	-		-
347	Miscellaneous Equipment	-		-
348	Other Tangible Plant	99,298	3.56%	3,535
	SUBTOTALS	6,886,765		242,209
	Less: Amortization of Contributions			(48,950)
	TOTALS	6,886,765		193,259

This Amount goes on Comparative Statement of Income and Expense Acct. No. 403.



COMPANY NAME
DIVERSIFIED WATER UTILITIES, INC.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 305,750	\$ 368,046
134	Working Funds	\$ -	\$ -
135	Temporary Cash Investments	\$ -	\$ -
141	Customer Accounts Receivable	\$ 12,024	\$ 18,632
146	Notes/Receivables from Associated Companies		\$ -
151	Plant Material and Supplies		\$ -
162	Prepayments	\$ 10,544	\$ 12,271
174	Miscellaneous Current and Accrued Assets	\$ 1,257	\$ -
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 329,575	\$ 398,948
	FIXED ASSETS		
101	Utility Plant in Service	\$ 6,823,925	\$ 6,886,765
103	Property Held for Future Use	\$ 2,656	\$ 2,244
105	Construction Work in Progress	\$ 4,370	\$ 13,180
108	Accumulated Depreciation - Utility Plant	\$ 912,182	\$ 1,150,707
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 5,918,769	\$ 5,751,482
	TOTAL ASSETS	\$ 6,248,344	\$ 6,150,430

NOTE: The Assets on this page should be equal to the **Total Liabilities and Capital** on the following page.

COMPANY NAME

DIVERSIFIED WATER UTILITIES, INC.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 40,059	\$ 66,310
232	Notes Payable (Current Portion)	\$ 189,500	\$ 213,000
234	Notes/Accounts Payable to Associated Companies	\$ -	\$ -
235	Customer Deposits	\$ 24,570	\$ 30,870
236	Accrued Taxes	\$ 19,942	\$ 27,263
237	Accrued Interest	\$ 535	\$ 884
241	Miscellaneous Current and Accrued Liabilities	\$ 11,715	\$ 13,353
	TOTAL CURRENT LIABILITIES	\$ 286,321	\$ 351,679
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 173,511	\$ 154,458
	DEFERRED CREDITS		
251	Unamortized Premium on Dept	\$ -	\$ -
252	Advances in Aid of Construction	\$ 4,363,354	\$ 4,220,349
255	Accumulated Deferred Investment Tax Credits	\$ -	\$ -
271	Contributions in Aid of Construction	\$ 1,374,992	\$ 1,374,992
272	Less: Amortization of Contributions	\$ 189,556	\$ 238,505
281	Accumulated Deferred Income Tax	\$ -	\$ -
	TOTAL DEFERRED CREDITS	\$ 5,548,790	\$ 5,356,836
	TOTAL LIABILITIES	\$ 6,008,621	\$ 5,862,973
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 2,000	\$ 2,000
211	Paid in Capital in Excess of Par Value	\$ 198,261	\$ 198,261
215	Retained Earnings	\$ 39,462	\$ 87,197
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 239,723	\$ 287,457
	TOTAL LIABILITIES AND CAPITAL	\$ 6,248,344	\$ 6,150,430

COMPANY NAME
DIVERSIFIED WATER UTILITIES, INC.

COMPARATIVE STATEMENT OF INCOME AND EXPENSES

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 919,544	\$ 1,010,276
460	Unmetered Water Revenue		\$ -
474	Other Water Revenues	\$ 25,958	\$ 21,688
	TOTAL REVENUES	\$ 945,502	\$ 1,031,964
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 330,320	\$ 357,799
610	Purchased Water	\$ 350	\$ -
615	Purchased Power	\$ 64,542	\$ 64,606
618	Chemicals	\$ 3,580	\$ 2,184
620	Repairs and Maintenance	\$ 13,370	\$ 25,131
621	Office Supplies and Expense	\$ 27,284	\$ 29,932
630	Outside Services	\$ 76,012	\$ 47,925
635	Water Testing	\$ 1,870	\$ 2,555
641	Rents	\$ 36,179	\$ 40,139
650	Transportation Expense	\$ 50,568	\$ 34,166
657	Insurance - General Liability	\$ 12,197	\$ 14,009
659	Insurance - Health and Life	\$ 40,870	\$ 43,945
666	Regulatory Commission Expense - Rate Case	\$ -	\$ -
675	Miscellaneous Expense	\$ 41,809	\$ 40,392
403	Depreciation Expense	\$ 191,024	\$ 193,259
408	Taxes Other Than Income	\$ 27,140	\$ 23,921
408.11	Property Tax	\$ 28,050	\$ 39,360
409	Income Tax	\$ -	\$ -
	TOTAL OPERATING EXPENSES	\$ 945,166	\$ 959,323
	OPERATING INCOME/(LOSS)	\$ 336	\$ 72,641
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 1,056	\$ 181
421	Non-Utility Income	\$ 278	\$ 26,620
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	\$ (12,711)	\$ (11,708)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (11,377)	\$ 15,094
	NET INCOME/(LOSS)	\$ (11,041)	\$ 87,735

COMPANY NAME	DIVERSIFIED WATER UTILITIES, INC.
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SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	2002			
Source of Loan	WIFA Note			
ACC Decision No.				
Reason for Loan	PLANT IMPROVEMENT			
Dollar Amount Issued	\$ 353,900			
Amount Outstanding	\$ 173,158			
Date of Maturity				
Interest Rate	4.725%			
Current Year Interest	\$ 9,956			
Current Year Principle	\$ 17,853			

Meter Deposit Balance at Test Year End \$715,028

Meter Deposits Refunded During the Test Year \$99,893

COMPANY NAME	Diversified Water Utilities, Inc.		
Name of System:	n/a	ADEQ Public Water System Number:	AZ04-11-043

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-609350	30	200	1,000	20	6	1952
55-627093	250	1,200	913	20	12	1958
55-627092	300	1,500	1,003	20	12	1962
55-627095**		2,300	1,800	20		1967

* Arizona Department of Water Resources Identification Number

** Not yet in service

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10 horsepower	2	96	
30 horsepower	4		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
200,000	1	5,000	2
20,000	1	7,500	1
1,000,000	1		

Note: If you are filing for more than one system, please provide separate sheets for each system

COMPANY NAME	Diversified Water Utilities, Inc.		
Name of System:	n/a	ADEQ Public Water System Number:	AZ04-11-043

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC/Ductile	3,050
5		
6	PVC/Ductile	50,949
8	PVC/Ductile	60,780
10		
12	PVC/Ductile	20,807

CUSTOMER METERS

Size (in Inches)	Quantity
5/8 X 3/4	360
3/4	811
1	236
1 1/2	4
2	5
Comp. 3	
Turbo 3	3
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

Liquid Chlorine (1)

Gas Chlorinators (2)

STRUCTURES:

Storage Shed (1)

Chlorine Shet (3)

Motor Control Room (2)

OTHER:

Generator

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Diversified Water Utilities, Inc.		
Name of System:	n/a	ADEQ Public Water System Number:	AZ04-11-043

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1284	7,613	9,065	-
FEBRUARY	1282	6,783	7,201	-
MARCH	1291	8,578	11,245	-
APRIL	1,305	11,423	13,870	
MAY	1,314	13,762	19,775	
JUNE	1,328	16,899	23,065	
JULY	1,328	18,214	19,295	
AUGUST	1,336	17,340	18,442	
SEPTEMBER	1,336	18,739	19,971	
OCTOBER	1,337	13,121	14,403	
NOVEMBER	1,340	12,494	13,724	
DECEMBER	1,341	10,490	11,379	
		155,456	181,435	NONE

What is the level of arsenic for each well on your system? 0.0030 mg/l (55-609350)
(If more than one well, please list separately.) .0024 mg/l (55-627093)
0.0017 mg/l (55-627092)

If system has fire hydrants, what is the fire flow requirement? 1,250 GPM for 2 hours

If system has chlorination treatment, does this treatment system chlorinate continuously?
☒ Yes ☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA):
☒ Yes ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME	Diversified Water Utilities, Inc.		
Name of System:	n/a	ADEQ Public Water System Number:	AZ04-11-043

UTILITY SHUTOFFS / DISCONNECTS

MONTH		Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		-	26	-
FEBRUARY		-	27	-
MARCH		-	26	-
APRIL		-	29	-
MAY		-	35	-
JUNE		-	25	-
JULY		-	35	-
AUGUST		-	23	-
SEPTEMBER		-	30	-
OCTOBER		-	30	-
NOVEMBER		-	5	-
DECEMBER		-	8	-
TOTALS		-	299	-

OTHER (description) :

COMPANY NAME Diversified Water Utilities, Inc. **YEAR ENDING** 12/31/2010

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2010 was: \$ 33,368.25

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED
MAY 11 2011
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Maricopa
NAME (OWNER OR OFFICIAL) TITLE
Scott W. Gray, President
COMPANY NAME
Diversified Water Utilities, Inc.

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO
THE ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

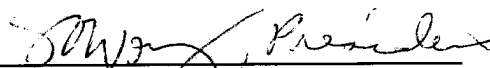
MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARED THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL


(602) 840-9400

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 29th DAY OF MARCH, 2011

COUNTY OF (COUNTY NAME)	
MARICOPA	
MONTH	YEAR
	2010


KAREN E. STINSON
Notary Public—Arizona
Maricopa County
Expires 05/14/2013
MY COMMISSION EXPIRES



SIGNATURE OF NOTARY PUBLIC

05/14/2013

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>n/a - S Corporation</u>
Estimated or Actual Federal Tax Liability	<u>n/a - S Corporation</u>
State Taxable Income Reported	<u>n/a - S Corporation</u>
Estimated or Actual State Tax Liability	<u>n/a - S Corporation</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

Scott W. Gray
PRINTED NAME

3/29/11

DATE

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
MAR 22 2011
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Maricopa
NAME (OWNER OR OFFICIAL) TITLE
Scott W. Gray, President
COMPANY NAME
Diversified Water Utilities, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HERIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

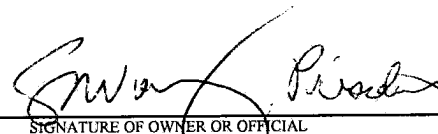
Arizona Intrastate Gross Operating Revenues Only (\$)	
\$	1,106,384

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 74,420

IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)


SIGNATURE OF OWNER OR OFFICIAL

(602) 840-9400
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 29th DAY OF MARCH, 2010

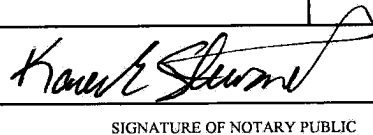
COUNTY OF (COUNTY NAME)	
MARICOPA	
MONTH	2010



KAREN E. STEINHILBER
Notary Public—Arizona
Maricopa County
Expires 05/14/2013

MY COMMISSION EXPIRES

05/14/2013


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED
MAR 22 2011
ACC UTILITIES DIRECTOR

**VERIFICATION
STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME)
Maricopa
NAME (OWNER OR OFFICIAL) TITLE
Scott W. Gray, President
COMPANY NAME
Diversified Water Utilities, Inc

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

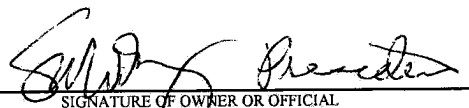
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SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HERIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)	(THE AMOUNT IN BOX AT LEFT
\$ 1,106,384.00	INCLUDES \$ 74,420
	IN SALES TAXES BILLED, OR COLLECTED)


*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

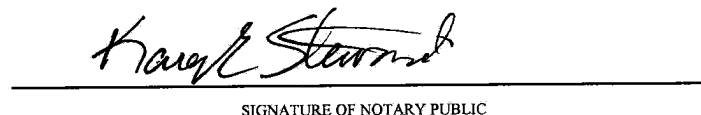

SIGNATURE OF OWNER OR OFFICIAL

(602) 840-9400
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 29th DAY OF MARCH, 2011

NOTARY PUBLIC NAME	
KAREN E. STEWARD	
COUNTY OF (COUNTY NAME)	
MARICOPA	
MONTH	2010

(SEAL)  **KAREN E. STEWARD**
Notary Public—Arizona
Maricopa County
Expires 05/14/2013
MY COMMISSION EXPIRES 05/14/2013


SIGNATURE OF NOTARY PUBLIC